

Highlights of 2nd National GST Conference



In the endeavor to build synergy and to share knowledge and best practices of State and Centre tax administrations, National GST Conference are being convened by GST Council Secretariat. 1st National GST Conference was held on 25th November, 2019.

The 2nd National GST Conference has been convened on 7th January, 2020 at Vigyan Bhawan, New Delhi under the chairmanship of Dr. Ajay Bhushan Pandey, Union Revenue Secretary. The focus of this Conference was brainstorming for streamlining Goods and Services Tax (GST) system and plugging revenue leakages.

The Conference witnessed extensive participation by Commissioners of State Tax and Chief Commissioners of Central

Tax, besides officers from CBIC Board, Directorate Generals of CBIC, DoR, GSTN and GSTC. In order to have increased and better inter-departmental coordination for data exchange and enforcement activities, the Conference was also attended by the Chairman, CBDT and the Director, FIU-India along with their senior officers. Primarily, the Conference deliberated on a mechanism and machinery for disseminating inter-departmental data among various agencies like GSTN, CBDT, CBIC, FIU, DoR, DGGI and State Tax Administrations etc. in order to achieve efficiency in curbing evasion and augment revenue collection.

Dr. Rajeev Ranjan, Special Secretary, GSTC welcomed all delegates and presented a memento containing “Vision and Mission of GST Council” to Dr. John Joseph, Chairman-CBIC; to Shri P.C Modi, Chairman-CBDT and to Shri P.K Mishra, Director-FIU-India.



Various presentations by the officers from CBIC, Directorates General of CBIC, CBDT and FIU-India were made on enforcement measures to curb GST evasion and to increase inter-departmental coordination for exchange of data.

Status of Action taken on decision in 1st GST National Conference

Sh. Dheeraj Rastogi and Ms. Ashima Bansal, Joint Secretaries of GST Council Secretariat presented status of the issues discussed in the 1st National GST Conference, and the action from concerned stakeholder was emphasized for due action by them.

Fraudulent ITC and Misuse of IGST Refunds



Sh. Neeraj Prasad, Commissioner (GST-Investigation), CBIC presented an overview of cases on fake/fraudulent ITC. He stated that bulk of the entities misusing ITC were proprietorship firms while some were even listed companies. It was also highlighted that there was tendency for over valuation of supply to SEZ units so as to claim undue refunds. He presented on the quantum, number of arrests and amount of recovery reported.



Sh. Balesh Kumar, Director General, DRI presentation focused on misuse of refund of ITC/IGST under GST by exporters. He pointed out that data of DGGI revealed the various modus operandi which included fake invoice as one mean. Other types of evasion include misdeclaration, under valuation, short paid taxes, clandestine removal of goods without including in the GST turnover, IGST refund for export frauds etc. He emphasized on sharing of cases with CBDT for their part of investigation. Carrying forward the presentation, Sh. Vivek Chaturvedi, Pr. ADG, DRI presented case analysis and stated that evasion is taking place through the items like cigarettes, auto components, garments, wall paper, vinyl flooring etc. He highlighted a significant operation recently conducted by 1200 DRI officers involving Rs. 450 crore of IGST refund and Rs. 3500 crore fake invoicing.



Data Exchange and Inter-departmental Coordination



Sh. Sanjeev Singh, Addl. Director General, CBDT made a presentation on the existing mechanism of data exchange between CBDT and CBIC/GSTN and vice-versa through various types like automatic data exchange, request base exchange (investigation and event based) and spontaneous (suo-motu) exchange. He mentioned that they use two important data sources:- Income tax return/Business Tax Return and 3rd party reporting from FIU. He suggested to prepare road map for enhanced mutual cooperation, implementation of streamlined electronic mechanism based on risk parameters and preparation of common taxonomy.

Sh. P.K. Mishra, Director FIU-India's presentation focused on reporting, analysis and dissemination of Cash Transaction Reports (CTRs)/ Suspicious Transaction Reports (STRs). He informed that STRs are being shared with DGGI. Statistics related to Red Flag indicators issued by FIU, including number of reports received, number of STR disseminated by DGGI and inputs given by DGGI on STR dissemination were presented by him.



Data Analytics/AI/ML for Enforcement



Sh. Sandeep Kumar, Director General, ARM briefed about functioning of DGARM through utilizing internal and external data sources for detailed data mining and analysis to generate information for focused and targeted action by field formations for effective policy formulation and revenue augmentation. He presented on use of data analytics, artificial intelligence and machine learning for early identification of fraudulent practices needing enforcement action to bring a focused approach to the evaders without bringing inconvenience to the genuine taxpayers. The red flag reports being generated by DGARM, its utility and results achieved were presented.

Presentations on Best Practices by Central Tax Zones

Ms. Sungita Sharma, Principal Chief Commissioner, CT Zone Mumbai presented on Compliance Management and Revenue Augmentation in her Central Tax Zone, and that Mumbai Zone cancelled a number of fraudulent registrations, carried out 100% examination by Customs, recovered dues and suspended pending IGST refunds in nearly 2000 GSTINs. Further, the Mumbai CGST Zone undertook granular compliance verification at Range level and monitored the top 50 taxpayers of each range.

Sh. Ashok Kumar Mehta, Chief Commissioner, CT Zone Vadodara presented their best practices on revenue monitoring, augmentation and plugging revenue leakage. He informed that they had devised a system of daily monitoring of revenue; number of return filed & their comparison with the previous year and creation of an analytic centre named 'Vadodara-Data Analytic Center' (V-DAC) to do data mining. They also started a system of sending sms and e-mails to non-filers of returns.



Presentations on Best Practices by States

Sh. J.P Gupta, Chief Commissioner of State Tax, Gujarat presented a case study of a recent case registered by them involving bogus billing. They stressed on various challenges related to operational issues and legal procedures that a Tax Authority has to face in order to search and punish such evaders. He elaborated the various challenges faced in the investigation and to bring evaders to legal course of action.



Sh. Peeyush Kumar, Chief Commissioner of State Tax presented



the best practices followed by State of Andhra Pradesh on widening of the tax base through special drives, obtaining data from 21 different sources like municipalities, electricity board, transport department, etc. They had also taken various measures to augment revenue which includes task fixation and monitoring of officers, use of online modules in registration and its verification, categorizing taxpayers based on revenue, conducting analytical studies, conducting vehicular check, Service sector analysis etc.

Bridging the Compliance gap and enhancing Revenue



Sh. Yogendra Garg, Pr. Commissioner, GST policy Wing, CBIC presented various measures from bridging the compliance gap and enhancing revenue. He explained the quantum of mismatch of ITC among different returns filed by taxpayers and policy initiatives that could be involved towards recovery of unmatched credit, irregular refunds, bank account validation, data exchange with banks, CBDT etc.

Recent Measures – Document Identification Number

Sh. D.P Nagendra Kumar, Chief Commissioner, CT Zone Bangalore gave presentation about Document Identification Number (DIN) i.e. about the system of electronic generation of DIN for all communications sent by CBIC officers to taxpayers. He explained about its mechanisms, objectives, benefits, coverage, exceptions, consequences, generation and format. He stated that the States might also consider introduction of similar system for GST related communication being sent to the taxpayers.



System Issues



Ms. Kajal Singh, EVP, GSTN presented on various modules of GST system including red flag reports, default by top taxpayers, difference of liability reported in GSTR-1 and GSTR-3B, gap between ITC claimed in GSTR-3B and GSTR-2A etc. and updated status on implementation of various projects such as linkage of FASTag with e-way bill, trial run of new returns, integration of refund with new returns, e-invoice, linkage of Aadhar for GST registration, implementation of enforcement module etc.

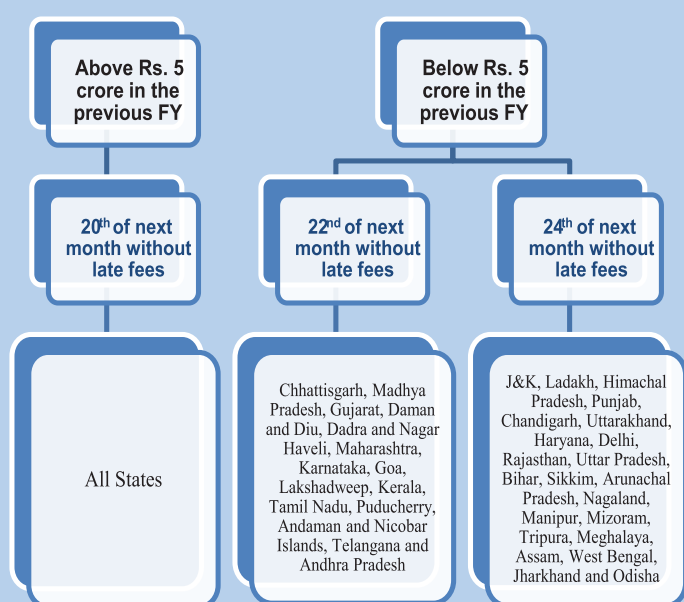
Performance Expectations

The Conference was concluded with the presentation made by Sh. S.K Rahman, Joint Secretary, GST Council, on performance expectations of GST in terms of four parameters like revenue, registration, enhancing taxpayer base and return filing. Revenue trends, targets and strategies were suggested for revenue augmentation.



Recent Amendments

GSTR-3B Returns can be filed in a Staggered Manner



Source: PIB Press Release, Ministry of Finance, dated 22.01.2020

Amendments to the CGST Act, 2017 shall come into force with effect from 1st January, 2020 with the provisions of sections 92 to 112 of the Finance act, 2019 except Section 92, 97, 100, 103 to 110.

Source: Notification No 01/2020-Central Tax dated 01.01.2020

CBIC has issued a Standard Operating Procedure (SOP) to be followed by exporters.

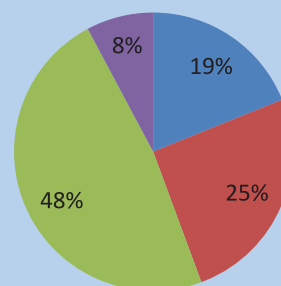
Source: Circular No. 131/1/2020-GST dated 23.01.2020

GST Revenue Collection

Gross GST revenue collected in the month of January, 2020 was Rs. 1,10,828 crore, including CGST Rs. 20,944 crore, SGST Rs. 28,224 crore, IGST Rs. 53,013 crore and Cess of Rs. 8,637 crore. The total revenue earned by Central Government and the State Governments after regular settlement in the month of January, 2020 was Rs. 45,674 crore for CGST and Rs. 46,433 crore for the SGST. This is only the second time since introduction of GST that the monthly revenues have crossed Rs. 1.1 lakh crore and sixth time during the year it has crossed Rs. 1 lakh crore.

Break up of GST Revenue in January 2020

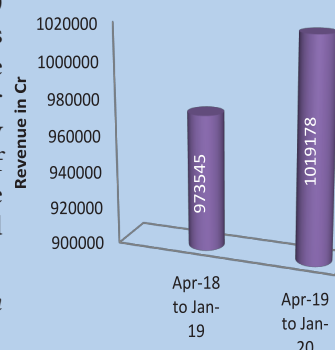
■ CGST ■ SGST ■ IGST ■ Cess



GST revenue during the month of January, 2020 from domestic transactions has shown an impressive growth of 12 percent over the revenue during January 2019. The IGST on import of goods has shown a negative growth of (-)3% as compared to January 2019.

Source: Press Information Bureau

GST Revenue Comparison



Snap shot of Gross GST Collection (FY 2019-20)

Month	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
Total	113865	100289	99939	102083	98202	91916	95380	103492	103184	110828

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